

Congressman Jim Kolbe

5th District Arizona
STATEMENT



Contact: Neena Moorjani

(202) 226-1042

www.house.gov/kolbe

Statement of Rep. Jim Kolbe
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on Trade Promotion Authority
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Mr. Chairman:

Thank you for the opportunity to testify.

I requested time today because trade promotion authority is critical to the future of the United States, and not co-incidentally, much of the free world.

I have testified before this committee in the past. And even though your jurisdiction is very broad, it has always been trade policy that brought me to this committee.

I have been a proponent of more open trade policies for years. It is important to my district. It is critical to my state. The Department of Commerce recently released data revealing that Arizona was the fastest growing state in the union from 1992 to 1999 with an annual growth rate of 7.3%.

Trade in general, and NAFTA specifically, have been enormous contributors to that record pace of economic growth for my state and a similar economic boom for my district.

However, I come here today for reasons that go far beyond the 5th district of Arizona and beyond my state. I come here today in my current role as Chairman of the Subcommittee on Foreign Operations of the House Appropriations Committee.

I do not expect any of you to know that I have now assumed that responsibility. With regards to your roles in the Senate, I probably could not identify the subcommittees on which you serve.

As chair of the foreign operations subcommittee, I am charged with providing Congressional leadership in the conduct of US foreign policy. I plan to fulfill that role to the best of my abilities on behalf of the entire House of Representatives. Yes. The entire

House of Representatives. Not the Republican side. Not the Democratic side. But both sides.

Over the last decade, it has grown increasingly difficult for Congress to operate in a “bipartisan mode”. Indeed, on trade policy since NAFTA, that way of legislating has been largely lost except on a select few trade issues. Somewhere along the way after NAFTA, we lost the bipartisan trade consensus we possessed for nearly a half-century.

Where did it go? Well, we let it slip away. We allowed ourselves to be seduced by narrower partisan, economic, or issue driven interests.

Well, I come before you this morning to plead that we commit ourselves regaining bipartisanship on trade. TPA is not solely in our national, self-economic interest. Certainly, our country reaps enormous economic benefits through market opening trade agreements.

Providing TPA to this President is in our broad foreign policy interest. We should not ignore the “invisible” benefits that TPA can bring us that may be harder to quantify but are equally, if not more, valuable.

If Congress provides this President with TPA, it will be a key tool in this country’s toolbox for encouraging successful economic growth abroad. And the reason we so ardently pursue a strong global economy as a plank of our foreign policy is because successful economic growth abroad helps us achieve our humanitarian and national security foreign policy objectives as well.

TPA will help us shape a world where democratic states can grow stronger, a world where nations in transition can stabilize, a world where developing countries can realize their potential through the promise of meaningful participation in the global economy.

Without TPA, our ability to sustain a global economy and its rules based trading system will be diminished.

This will lead to greater US national security risks and probably create new unforeseen foreign policy challenges that will take us decades to overcome.

What do I mean by this? Shortly after assuming my new position, I have found new appreciation for that nexus of political, social, and economic variables that must combine in the right context for successful nation state development.

I am not here this morning to deliver a treatise on democracy. However, it is for more than academic interest that we should understand the linkages between economic growth abroad and successful nation state and democratic development.

A comprehensive study of nation state failure, performed by the recent State Failure Task Force and led by the CIA, underscores the relationship between economic disruptions and state failure. The task force identified 113 cases of state failure in the last 50 years.

Of the numerous explanatory variables that might be in play in these countries where a collapse of institutions resulted, 3 were most significant: infant mortality, openness of the economy, and whether or not the state was a democracy.

I would draw your attention to the second one: openness of the economy. This variable confirms why it is so important to provide this President with TPA. It is that tool that enables the US to encourage countries to participate in the global economy creating linkages that reduce the chance of state failure.

Mr. Chairman, we must reach a consensus to provide this President with TPA. We must find the political resolve to support it and be willing to make the compromises to re-obtain that bipartisan consensus.

US foreign policy objectives cannot be achieved alone through US foreign aid. Trade, not foreign aid, is the most critical. Knowing how critical TPA is to all of US foreign policy, it begs the question: how do we get it back?

How do we move beyond the "prolonged stall" in trade liberalization through which we have suffered these seven or eight years? If I had the simple answer, I would have opened my testimony and saved us all the trouble of continuing to meet on this subject.

Instead of articulating some arcane trade answer, allow me to advise something far more basic: a set of basic principles to guide how we engage one another to find a solution.

But before I do so, please allow me to share a story. Senator Mitchell, as well as Senator Rudman, recently provided their perspective on the crisis in the Middle East at a closed-door briefing to members of my subcommittee.

It was a good, productive briefing. At one point, Senator Mitchell shared his experiences on helping parties in the Northern Ireland peace process. He related to us that shortly after his arrival on the scene, he figured out a solution after a matter of days.

It was an incredible statement. For decades the conflict raged in N. Ireland without a solution. Yet he had figured it out in days.

Of course, his admission of calculating a solution so quickly was followed by a long explanation of what was so challenging about actually realizing his plan for peace.

Without going into the details, his solution was a well thought out chain of events by all parties involved. Each party played a part in an elaborate sequence of events.

The events were orchestrated into a delicate fabric of confidence building measures among parties. That series of confidence building measures were the pre-cursors to an agreement for peace. In that part of the world -- as is so often the case in other parts as well, trust, confidence, and the ability to deal with each other with real, managed expectations had been lost.

I think we face the same challenges trying to move our trade policy forward today. The bipartisan coalition that lasted 50 years has lost the capacity for trust. We lost confidence in one another's ability to help manage our separate, albeit more narrow interests in such a way that does not lose sight of our national interest.

And finally, Mr. Chairman, we -- meaning both political parties -- lost our ability to manage our policy expectations when changes in power occurred on either end of Pennsylvania Avenue.

Consequently, as we try to move forward, let me suggest three principles that should guide our actions.

Strong Communication.

We should strive to achieve that at the staff level, at the member level, between houses, and between both ends of Pennsylvania Ave.

Commitment To Operate In Good Faith.

It is sometimes the case that incentives in the democratic process can work against a balanced national interest based strategy. If we are to achieve TPA, our process must resist the temptation to play this issue as a tactic in a long-term power struggle for political control. We will never achieve success unless we operate in good faith.

Leadership Anchored In US National Interest.

As elected officials, all of us have interests – some constituent based, some personal and philosophical, some partisan – that pull us in all different directions every day. We must find a way to work together.

This is not just a statement for a press release or a college textbook. Those more narrow interests of our own constituencies and personal agendas require that we do this if any of us are to achieve success. As we individually achieve success, we guarantee success for the larger interest of expanded trade opportunities.

Mr. Chairman, those are my thoughts on this issue. It is urgent that we move forward. As a member of the House I hope to engage you and your colleagues at some point on trying to achieve a compromise leading to a favorable outcome.